

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED  
SEP 17 4 31 PM '97  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

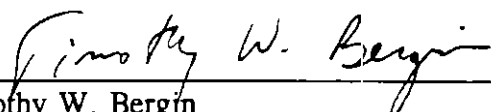
\_\_\_\_\_  
POSTAL RATE AND FEE CHANGES, 1997  
\_\_\_\_\_

Docket No. R97-1

**THE MCGRAW-HILL COMPANIES' INITIAL  
INTERROGATORY DIRECTED TO USPS WITNESS  
ALEXANDROVITCH (MH/USPS-T5-1)**

Pursuant to the Commission's rules of practice, sections 25-27, The  
McGraw-Hill Companies, Inc. submits the following interrogatory to United States  
Postal Service witness Joe Alexandrovitch.

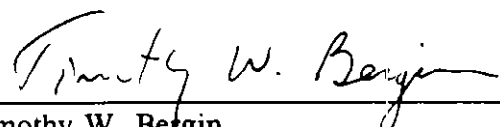
Respectfully submitted,

  
\_\_\_\_\_  
Timothy W. Bergin  
Squire, Sanders & Dempsey L.L.P.  
1201 Pennsylvania Avenue, N.W.  
P.O. Box 407  
Washington, D.C. 20044-0407  
(202) 626-6600

Counsel for The McGraw-Hill  
Companies, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document in  
accordance with Section 12 of the rules of practice.

  
\_\_\_\_\_  
Timothy W. Bergin

September 17, 1997

**MH/USPS-T5-1:**

(a) Please confirm that the volume variable costs calculated for Periodicals mail in this proceeding are higher than the attributable costs calculated for Periodicals mail (pursuant to section 54(a)(1) of the Commission's rules of practice) in this proceeding. See, e.g., Attachment A (attached hereto) to the Motion of the United States Postal Service for Reconsideration of Parts of Presiding Officer's Ruling No. R97-1/7 (August 15, 1997). To the extent that you are unable to confirm, please explain fully.

(b) Please explain fully (with appropriate cross-references to USPS-LR-H-196 and 215, and to any other relevant materials) each of the factors which cause the volume variable costs calculated for Periodicals Regular mail to be higher than the attributable costs calculated for Periodicals Regular mail.

Line No.	Description	Markups			Markup Indices		
		PRC	Replic. PRC	USPS Proposal	PRC	Replic. PRC	USPS Proposal
1	First-Class Mail	R94-1	R97-1	R97-1	R94-1	R97-1	R97-1
2	Single Letters						
3	Worksharing Letters						
4	Total Letters	74.5%	69.3%	99.5%	1.310	1.224	1.267
5	Single Postcards						
6	Worksharing Postcards						
7	Total Cards	36.7%	45.2%	83.7%	0.645	0.799	1.065
8	Total						
9	Priority Mail	97.0%	106.7%	98.3%	1.705	1.883	1.252
10	Express Mail	18.9%	15.4%	103.6%	0.332	0.272	1.318
11	Mailgrams	1.6%	1433.2%	820.5%	0.028	25.305	10.446
12	Periodicals						
13	In County	2.8%	3.3%	2.8%	0.048	0.058	0.036
14	Outside County						
15	Nonprofit	4.1%	3.9%	3.3%	0.072	0.069	0.042
16	Classroom	6.8%	-10.7%	-19.4%	0.120	-0.189	-0.247
17	Regular-Rate	16.3%	8.4%	7.0%	0.286	0.149	0.089
18	Total						
19	Standard Mail A						
20	Single Piece	4.5%	-100.0%	-100.0%	0.078	-1.766	-1.273
21	Commercial Regular						
22	Commercial Enhanced Carrier Route						
23	Total Commercial	51.1%	53.6%	74.1%	0.899	0.947	0.944
24	Nonprofit						
25	Nonprofit Enhanced Carrier Route						
26	Total Nonprofit	8.7%	12.9%	26.0%	0.152	0.227	0.331
27	Total Standard Mail A						
28	Standard Mail B						
29	Parcel Post	7.4%	9.3%	2.9%	0.131	0.163	0.036
30	Bound Printed Matter	36.6%	66.1%	51.5%	0.643	1.166	0.656
31	Special Rate	4.6%	26.3%	37.1%	0.080	0.464	0.473
32	Library Rate	0.8%	-0.1%	6.8%	0.013	-0.002	0.086
33	Total						
34	Free-for-the-Blind, etc.						
35	International Mail	21.8%	21.2%	36.2%	0.383	0.375	0.461
36	Special Services						
37	Registry	44.5%	75.1%	59.7%	0.782	1.326	0.760
38	Certified	70.1%	27.0%	34.6%	1.233	0.476	0.441
39	Insurance	39.8%	83.0%	54.2%	0.700	1.466	0.690
40	COD	2.6%	-14.0%	6.1%	0.046	-0.247	0.078
41	Money Orders	11.3%	11.2%	62.7%	0.198	0.198	0.799
42	Stamped Envelopes	72.9%	49.6%	21.4%	1.281	0.876	0.273
43	Special Handling						
44	Post Office Boxes	15.4%	9.4%	15.5%	0.270	0.166	0.197
45	Other						
46	Total						
47	Other Costs						
48	Other Income						
49	Attributable Costs and Revenues	56.8%	56.6%	78.5%	0.000	1.000	1.000